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DIRECTORATE OF INTELLIGENCE

MEMORANDUM

Developments in Indochina

Top Secret

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DEVELOPMENTS IN INDOCHINA

(Information as of 1500)

CAMBODIA

Renewed fighting has been reported in the Phnom Penh area, but the military situation is quiet elsewhere.

NORTH VIETNAM

Premier Pham Van Dong's discussions in Peking indicate a lessening of Sino - North Vietnamese tensions.

LAOS

North Vietnamese probes continue near the village of Thateng, but government forces are strengthening their hold over the important crossroads town. Little fighting was reported elsewhere in the country.

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The Communists fostered the false idea that Minh was the younger brother of Son Ngoc Thanh, the respected leader of the Khmer Serei, a non-Communist insurgent group that also opposed Sihanouk during the 1950s. Many Cambodians, including Sihanouk, nevertheless doubted the existence of Minh, claiming that he was merely a creature of Communist propaganda. Reports that Minh is of mixed Cambodian-Vietnamese heritage received some verification from rallier Lim.

Minh has not been mentioned in Communist propaganda for many years, perhaps because his association with Son Ngoc Thanh is no longer politically profitable or perhaps because Minh is simply not an important individual in the Khmer Communist hierarchy. There have also been some unconfirmed reports that the North Vietnamese do not trust Minh, regarding him as pro-Chinese. The rallier claimed that Minh, who suffers from diabetes, apparently spends a considerable amount of time in Peking.

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The third and least mentioned is Hu Nim who is

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supposed to be "minister of information."

Communist broadcast on 17 November stated that Hu Nim had condemned recent Cambodian governmental policies. This is one of the very few references to Nim in the Communist media. The broadcast made no mention that Nim had appeared in public, however.

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Exchange Support Fund

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Although Cambodia may eventually receive the foreign aid necessary to establish an Exchange Support Fund (ESF), chances are slim that plans will be approved at the donors' meeting in Paris on 29

November. Only the US has made a firm pledge-conditional upon congressional appropriations. Japan has agreed to participate if it is joined by at least four other countries. Since New Zealand reportedly will not decide on a contribution until the end of the year, Cambodia may have to wait until then, before it receives enough supporters.

Cambodia comes to the meeting ill-prepared. Recent stabilization measures have not resulted in more efficient use of aid funds already available. Moreover, although the riel was substantially devalued when the reforms were implemented at the end of October, no mechanism for periodically adjusting the rate has been adopted despite the fact that this is a prerequisite for some donors.

Cambodia sees the ESF as the first step in establishing a multilateral framework for foreign aid which may be necessary if it is to receive the continued active support of the International Monetary Fund.

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NORTH VIETNAM

Premier Pham Van Dong has ended a round of toplevel discussions in Peking that underlined China's continued support for his country's war effort. The visit apparently signals a considerable lessening in the Sino - North Vietnamese tensions of the past few months.

Hanoi's public pronouncements on the visit have shown no signs of the unease over Peking's intentions that had cropped up consistently since the announcement of President Nixon's prospective visit to Peking. Instead, Dong's delegation was full of praise for Chinese achievements and gratitude for Chinese aid. For their part, the Chinese left no doubt that they are solidly behind the Vietnamese Communists' seven-point negotiating proposal. They also went out of their way to make it explicit that Peking does not contemplate a sellout of Hanoi. Chou En-lai told the Vietnamese on 23 November, "You and you alone are entitled to decide the affairs" of Vietnam.

In their public statements and communiqué the sides predictably steered clear of issues which could have proved troublesome. The Chinese only dig at the Soviets was a reference to "power politics practiced by the two superpowers" and, although the North Vietnamese gave a nod to Soviet as well as Chinese assistance, Dong reserved his final expression of gratitude for Peking alone. He also avoided severe personal criticism of President Nixon which might have complicated Peking's efforts to play down its recent dealings with Washington.

The North Vietnamese took advantage of their warm reception in the Chinese capital to sharpen their negotiating position. Dong took the nowstandard line that there are two irreducible preconditions to successful negotiations: an end to

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the US military role in Vietnam and to US support for the Thieu government. The formulation of both points in the final communiqué appears to be in line with a recent trend toward greater toughness and comprehensiveness in Hanoi's demands. In an echo of recent North Vietnamese propaganda, the communiqué indicated that the Communists now define "withdrawal" to include an end to US air and naval activities directed against both North and South Vietnam, as well as the cessation of all military and military-related activity in South Vietnam. Dong himself went a bit further, demanding an end to all US "military acts in any form" against any part of Vietnam, "from any place whatsoever."

In addition, the communiqué seemingly added to the scope of standard North Vietnamese demands concerning withdrawal of US support for the Thieu regime. The shutdown of the US political role, it stipulated, must extend to "all US commitments"—a formulation which could imply economic as well as military assistance. The communiqué also detailed US activities in Laos and Cambodia, but without linking them explicitly to peace prospects in South Vietnam.

Although re-emphasizing the inseparability of the seven points, the North Vietnamese delegation allowed two important related questions to slip even further into limbo. Neither their public statements nor the final communiqué carried any notable reference to the POW issue or to the 31 December deadline which the Communists had previously set for US troop withdrawals. When the Communists first surfaced the seven points last July, there were vague hints from their side that a US agreement on a withdrawal schedule might be sufficient to get talks going on the POW issue, with the larger political questions to be handled separately. Whether the Communists ever viewed this as a serious possibility is not clear, but now that the political and military aspects of their negotiating demands seem more inextricably linked than ever, they may want to update their position on the POW-withdrawal package.

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The public statements and the final communiqué in Peking may be an indication that Hanoi is preparing a more explicit and perhaps tougher set of demands in Paris. But it seems equally possible that it is simply making a special effort to nail down its objectives before Peking and Moscow engage in summit talks with the US. The outpouring of publicity on the visit is undoubtedly meant in part to buoy Hanoi's image and political standing both at home and abroad. It may in fact serve as a backdrop for other intensified North Vietnamese diplomatic contacts aimed at strengthening Hanoi's negotiating hand.

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